

## MID-SIZE AGENCY COORDINATING COUNCIL (MACC)

### Meeting Notes

Thursday, July 11, 2013 at 2:30 p.m. – Brown Heatly Room 1430

#### Welcome and Announcements:

Brian White, MACC Chair, called the meeting to order and introduced the guest speaker.

#### Goodwill Industries of Central Texas (Guest Speaker)

- Marion Martin, Director of Development at Goodwill, invited state agencies to take a look behind the scenes of their operation as part of a tour called The Real Goodwill. This tour shows how donated items are put to use creating employment and educational opportunities for people in our community.
- One-hour tours are offered twice a month or special tours can be arranged. Tour dates and times can be found at <http://www.austingoodwill.org/TheRealGoodwill/>
- For questions, contact Ms. Martin at 512-637-7170 or [realgoodwill@austingoodwill.org](mailto:realgoodwill@austingoodwill.org)

#### Texas Public Employees Association (TPEA)

<http://www.tpea.org/>

Amy Chamberlain discussed TPEA's legislative accomplishments for 2013:

1. **Strengthened Our Traditional Retirement Plan Without Hurting Current Employees:** There is authorization for a 3% COLA for ERS retirees who have been retired for 20 or more years, however this cannot be implemented until the ERS fund meets the statutory definition of actuarial soundness. TPEA worked with legislators to grandfather all current employees from the eligibility changes. Employee contribution rates will increase gradually up to 7.5% in the 2016/2017 biennium. State contribution rates increases to 7.5% in 2014 and state agencies' will begin contributing .5% of payroll.
2. **Adjusted Employee Pay to Maintain Productivity:** General state employees will receive a 1% salary increase in FY 2014, with a \$50 monthly minimum. In FY 2015, employees will receive an additional 2% increase for a net total of 3% with a \$100 minimum the second year. Schedule C employees will receive a 5% salary increase beginning FY 2014. A number of classes of employees were given targeted pay raises in response to areas with significant turnover.
3. **Maintained Affordable Health Care Coverage:** Most state employees can expect no change in healthcare benefits. However, for those employees who have not yet reached 5 years of service by September 1, 2014, SB 1459 implemented a tiered retirement insurance premium contribution upon retirement based on the following years of service: 10 years – 50% state contribution, 15 years – 75% contribution and 20 years – 100% state contribution.

#### Employees Retirement System (ERS)

<http://www.ers.state.tx.us>

Mike Ewig, Governmental Relations, provided updates on insurance changes:

1. The **retirement annuity benefit** will change for new employees effective 9/1/2013. Employees hired after that date will have different eligibility rules. They will still be required to meet the Rule of 80 but they will need to be a certain age to receive full retirement benefits. Retirement age for regular service members is 62 and for members of the Law Enforcement and Custodial Officers Supplemental Retirement Fund (LECOSRF) retirement age is 57. Those who meet the rule of 80 prior to retirement age will see a 5% reduction in their annuity amount for each year they retire prior to retirement age. Also, the highest 60 months of salary will be used to calculate the annuity.
2. Tiered **insurance premium contribution for retirees** based on years of service (detailed above).
3. Everyone enrolled in health insurance must **certify tobacco use** or non-use by 9/1/2013 or be subject to the \$30-\$90 fee.

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4. Definition of **“full-time” employee for benefits purposes** is changing. Employees working 30 hours or more per week will receive the full state contribution for health insurance premium effective 9/1/2013.
5. The **health coverage waiting period for new employees** will decrease effective 9/1/2014. Health coverage will begin on the first month following a new employee's 60<sup>th</sup> day of employment instead of the 90<sup>th</sup>.
6. The ERS legislative page is located at: [http://www.ers.state.tx.us/About\\_ERS/Legislative/](http://www.ers.state.tx.us/About_ERS/Legislative/)

### **Office of the Governor**

<http://governor.state.tx.us/>

Ed Robertson, Governor's Advisor, invited agencies to ask his office for help implementing bills.

### **Discussion with MACC Members**

Brian White reiterated some of the legislative changes then asked members to introduce themselves.

Members came to a consensus that future MACC meetings would be held in the afternoon at the Brown Heatly building. Brian White adjourned the meeting.

Submitted by Amanda Fletcher, MACC Secretary